

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:4300

ANSWERED ON:28.03.2017

Fertilizer License for Units

Raut Shri Vinayak Bhaurao;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government is aware that fertilizer production units which did not have any license from the Ministry are mushrooming in a number of States during the previous decade and if so, the details thereof;
- (b) whether large section of the farming community in various States are poor and illiterate and many fertilizer companies are selling spurious fertilizers to dupe them and if so, the details thereof;
- (c) whether this menace is damaging agriculture in particular and the health of common people in general and if so, the details thereof;
- (d) whether permission from the Ministry as well as the concerned State Government is required for starting a fertilizer unit;
- (e) if so, the details of fertilizer production units which are not taking permission from the Government, State-wise; and
- (f) the action taken by the Government against the fertilizer units functioning without permission and the fertilizer companies selling spurious fertilizers?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT & HIGHWAYS, SHIPPING AND CHEMICALS & FERTILIZERS

(SHRI MANSUKH L. MANDAVIYA)

(a) : The Government has notified Nutrient Based Subsidy (NBS) Policy on 1.4.2010 for P&K fertilizers and New Investment Policy (NIP) – 2012 on 2.1.2013 & its amendment on 7.10.2014 for Urea fertilizer. Any interested Company can establish P&K fertilizers plant and urea plant in the country as per the provisions of aforesaid policies. However, no license is required from the Ministry for setting up of these plants.

Ministry of Agriculture and Farmers Welfare vide notification SO No. 3054 (E) dated 23.9.2016 has dispensed with the requirement to possess the Certificate of Manufacturer by the manufacturing units of Bio-fertilizers and Organic fertilizers. Currently, there is no requirement under the Fertilizer (Control) Order 1985 for the manufacturing units of fertilizers to obtain the certificate of manufacture except in case of mixture manufacturing units. Manufacturers of Mixture of Fertilizers are required to obtain the Certificate of manufacture from the Registering Authority appointed by the State Government.

(b), (c) & (f) : During the year 2015-16 the percentage of sample declared non – standard at All India level is 4.9%. The specifications of various fertilizers are specified in the Fertilizer (Control) Order, 1985. Clause 19 of the Fertilizer (Control) Order, 1985 strictly prohibits the sale of Fertilizers which are not of prescribed standard. The State Governments are adequately empowered to take appropriate action in case of violation of the provisions of FCO. Any violation of this provision invoke both administrative and penal action under the provisions of FCO/ECA. A statement indicating action taken by the State Government during the year 2015-16 is at Annexure – I.

(d) : No permission is required for starting a P&K manufacturing unit. However, Department of Fertilizers has received 6 proposals for setting up of Greenfield and Brownfield (Expansion) the urea projects. The details are at Annexure – II.

As per the terms of the NIP Policy, all the project proponents are required to furnish Bank Guarantee (BG) of Rs. 300/- crores for each project linked to milestone in the project cycle. PSUs are, however, exempted from submitting the Bank Guarantee as per amendment to NIP – 2012.

However, for carrying on the business of selling of fertilizer, every manufacturer or wholesaler or retailer is required to obtain Authorization Letter from the Notified Authority appointed by the State Government.

(e) : No such detail is available with the Government.
